

United States Senate
WASHINGTON, DC 20510-2003

November 10, 2011

Senator Patty Murray, Co-Chair
Representative Jeb Hensarling, Co-Chair
Joint Select Committee on Deficit Reduction
824 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Murray and Representative Hensarling:

I am writing to express my opposition to a Chained CPI or any change in the methodology for calculating Social Security cost-of-living adjustments (COLAs) that would result in a reduction of benefits. Social Security didn't contribute to the deficit and changes to the program should not be considered as part of the Super Committee deliberations.

Those in favor of a Chained-CPI are pushing three big myths to convince Americans that this change is no big deal. Nothing could be further from the truth.

- Myth #1: "Moving to a Chained-CPI is a technical fix." Despite the popular notion that this is a technical fix, it is not. Chained CPI fundamentally restructures Social Security by changing the way COLAs are calculated based on a seriously flawed methodology. If the Super Committee supports this approach, it would be complicit and complacent in structurally-induced poverty.
- Myth #2: "Seniors will not see an automatic cut." Moving to a Chained-CPI would result in benefits cuts immediately and those cuts would grow over time. According to Social Security's Chief Actuary, Chained-CPI would reduce annual benefits for a typical 65 year old by about \$130 per year. By the time that senior is 85 years old, that benefit cut would be \$980 per year. When the average senior is getting \$14,000 per year in Social Security benefits, cuts of this magnitude mean the difference between paying for medicine or groceries and heating.
- Myth #3 – "This change would mirror people's behaviors." Chained CPI assumes seniors would substitute lower cost items when the cost of what they normally purchase goes up. This approach is age inappropriate. Seniors don't have the luxury of substituting drugs or energy costs.

Congress cannot restructure Social Security in a way that will send middle-class Americans into poverty. The promise of Social Security is a guaranteed, lifetime and inflation-proof benefit. We will not be complicit or compliant in jeopardizing this benefit for America's seniors.

Thank you for your important work, and I look forward to working with you as this process continues.

Sincerely,

A handwritten signature in blue ink, appearing to read "Barbara A. Mikulski", written in a cursive style.

Barbara A. Mikulski
United States Senator